

**TOWN OF CYRIL, OKLAHOMA and
CYRIL MUNICIPAL AUTHORITY**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Specified Users of the Report:

Town Council, Town of Cyril
Cyril, Oklahoma

Trustees of the Cyril Municipal Authority
Cyril, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

Report on Compiled Financial Statements and Schedules

Management is responsible for the accompanying financial statements and schedules of the Town of Cyril and Cyril Municipal Authority, Cyril, Oklahoma, which comprise a Summary of Changes in Fund Balances-Modified Cash Basis as of the year ended June 30, 2022, and the related Budgetary Comparison Schedule-General Fund-Modified Cash Basis, Budgetary Comparison Schedule-Street & Alley Fund-Modified Cash Basis, Budgetary Comparison Schedule-Fireman Special Fund-Modified Cash Basis, Budgetary Comparison Schedule-ARPA Fund-Modified Cash Basis, Cyril Municipal Authority-Statement of Revenues, Expenses and Changes in Fund Balance-Modified Cash Basis, and Schedule of Grant Activity-Modified Cash Basis for the year then ended in accordance with the modified cash basis of accounting, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying financial statements and schedules nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements and schedules.

The financial statements and schedules have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the modified cash basis and budget laws of the State of Oklahoma which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and schedules prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and schedules, they might influence the user's conclusions about the Town's and Authority's assets, liabilities,

fund balances, revenues, and expenses. Accordingly, these financial statements and schedules are not designed for those who are not informed about such matters.

Report on Applying Agreed-upon Procedures

We have performed the procedures enumerated below which were agreed to by the specified users of the report as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and the Municipal Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Cyril and the Cyril Municipal Authority is responsible for the Town's and the Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Cyril and the Cyril Municipal Authority has agreed to and acknowledge that the procedures performed are appropriate to meet the intended purpose of meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance requirements with specific legal or contractual requirements for the fiscal year ended June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the **Town of Cyril** as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis schedule of changes in fund balances for each fund (see accompanying Exhibit 1) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

2. **Procedures Performed:** From the Town's trial balances, we prepared a modified cash basis budget and actual financial schedule for the General Fund and any other significant funds (any fund whose revenues, expenditures or ending fund balance exceeds 10% of the Town's total revenues, expenditures or fund balances) listing separately each federal fund (see accompanying Exhibit 2) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: Fireman Special Fund in total did not exceed appropriations. The Town underbudgeted expenses for debt service in the amount of \$42,291.

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: *In the General Fund checking account, there was a \$4,973 difference between the June 30, 2022 bank reconciliation and the general ledger. This was due to eight outstanding checks that were written in July 2022 but were issued with a June 2022 date which resulted in the accounting system omitting them from the bank reconciliation.*

4. **Procedures Performed:** We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: *No instances of noncompliance were noted.*

5. **Procedures Performed:** We compared the Town's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: *No instances of noncompliance were noted.*

6. **Procedures Performed:** We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: *No instances of noncompliance were noted.*

7. **Procedures Performed:** We compared the Town's account balances in reserve accounts to contractually required reserve balances and debt service requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: *The Town had no contractual or debt service requirements. This procedure does not apply.*

As to the Cyril Municipal Authority, as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Authority's trial balances, we prepared a schedule of revenues, expenses and changes in fund balances - modified cash basis for each fund (see accompanying Exhibit 3) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instances of noncompliance.

Findings: *No instances of noncompliance were noted.*

2. **Procedures Performed:** We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: *In the Cyril Municipal Authority checking account, there was a \$15,978 difference between the June 30, 2022 bank reconciliation and the general ledger. This was due to seven outstanding checks that were written in July 2022 but were issued with a June 2022 date which resulted in the accounting system omitting them from the bank reconciliation.*

Also, the Authority has an investment account that was not reconciled to the financial statements at year end. The difference was \$1,416.

3. **Procedures Performed:** We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: The Cyril Municipal Authority has an investment account that has US Government backed securities, however, cash in the amount of \$103 held in that account is uninsured.

4. **Procedures Performed:** We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: The Authority did not have sufficient cash on hand to cover the amount of meter deposits due to customers upon termination of service. The amount of cash needed to be in compliance was \$1,356. However, the clerk has since determined that \$2,648 of customer deposits should be removed from the deposits outstanding list due to repayment of their deposit before year end.

5. **Procedures Performed:** We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance were noted.

6. **Procedures Performed:** We compared the Authority's account balances in reserve accounts to contractually required reserve balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authority had no contractual or debt service requirements. This procedure does not apply.

As to the **Town of Cyril and Cyril Municipal Authority** grant programs, as of and for the fiscal year ended June 30, 2022:

1. **Procedures Performed:** From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit 4) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

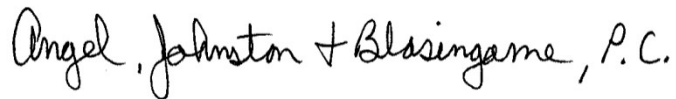
Findings: No instances of noncompliance were noted.

We were engaged by the Town of Cyril and the Cyril Municipal Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants to meet the requirements prescribed in Oklahoma Statutes §11-17.105-.107 and §60-180.1-.3. We were not

engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Town and the Municipal Authority meeting their financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Cyril and the Cyril Municipal Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Angel, Johnston + Blasingame, P.C." The signature is written in a cursive, flowing style.

Angel, Johnston and Blasingame, P.C.
Chickasha, Oklahoma
October 14, 2022

TOWN OF CYRIL AND CYRIL MUNICIPAL AUTHORITY
Cyril, Oklahoma

SUMMARY OF CHANGES IN FUND BALANCES
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	<u>Beginning of Year Fund Balances</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Fund Balances</u>
TOWN:				
General Fund	\$ 154,474	\$ 433,951	\$ 307,633	\$ 280,792
Park Maintenance Fund	3,331	7,165	7,120	3,376
Street & Alley Fund	53,835	15,618	864	68,589
Cemetery Care Fund	18,314	2,852	-	21,166
Fireman Special Fund	45,565	28,497	42,291	31,771
ARPA Fund	-	88,348	-	88,348
Town Subtotal	<u>275,519</u>	<u>576,431</u>	<u>357,908</u>	<u>494,042</u>
AUTHORITY:				
Cyril Municipal Authority	639,379	656,541	733,350	562,570
Authority Subtotal	<u>639,379</u>	<u>656,541</u>	<u>733,350</u>	<u>562,570</u>
Overall Totals	<u>\$ 914,898</u>	<u>\$ 1,232,972</u>	<u>\$ 1,091,258</u>	<u>\$ 1,056,612</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF CYRIL, OKLAHOMA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 150,358	\$ 150,358	\$ 150,358	\$ -
Resources (Inflow):				
Taxes:				
Franchise tax	16,644	16,644	21,944	5,300
Sales tax	131,362	131,362	171,865	40,503
Alcohol beverage tax	16,560	16,560	15,601	(959)
Tobacco tax	1,572	1,572	1,827	255
Use tax	52,848	52,848	79,916	27,068
Total Taxes	218,986	218,986	291,153	72,167
Other Revenue:				
Grants	4,344	4,344	18,824	14,480
Licenses, permits & fees	702	702	1,100	398
Animal control	576	576	85	(491)
Grave openings	9,253	9,253	9,406	153
Lot sales	2,756	2,756	10,063	7,307
Fines & Forfeitures	55,738	55,738	59,896	4,158
Payment in lieu of tax	791	791	973	182
Interest	114	114	240	126
Rental	5,468	5,468	12,052	6,584
Donations	-	-	-	-
Miscellaneous	-	-	30,159	30,159
Total Other Revenue	79,742	79,742	142,798	63,056
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	298,728	298,728	433,951	135,223
Amounts available for appropriation	449,086	449,086	584,309	135,223
Charges to Appropriations (Outflows):				
Personal services	209,755	209,755	174,638	35,117
Maintenance & operations	147,351	147,351	119,034	28,317
Capital outlay	5,800	5,800	2,165	3,635
Debt service	7,680	7,680	7,680	-
Total Other	370,586	370,586	303,517	67,069
Other Financing Uses:				
Transfers to other funds	12,500	12,500	-	12,500
Total Charges to Appropriations (Outflows)	383,086	383,086	303,517	79,569
Ending Budgetary Fund Balance	\$ 66,000	\$ 66,000	\$ 280,792	\$ 214,792
Current year encumbrances			-	
Ending Fund Balance			\$ 280,792	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF CYRIL, OKLAHOMA

**BUDGETARY COMPARISON SCHEDULE
STREET & ALLEY FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 53,120	\$ 53,120	\$ 53,835	\$ 715
Resources (Inflow):				
Taxes:				
Motor vehicle tax	-	-	6,921	6,921
Gasoline tax	-	-	1,536	1,536
Sales tax	-	-	7,161	7,161
Total Taxes	-	-	15,618	15,618
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	15,618	15,618
Amounts available for appropriation	53,120	53,120	69,453	16,333
Charges to Appropriations (Outflows):				
Maintenance & operations	1,410	1,410	864	546
Capital outlay	34,000	34,000	-	34,000
Total Other	35,410	35,410	864	34,546
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	35,410	35,410	864	34,546
Ending Budgetary Fund Balance	\$ 17,710	\$ 17,710	\$ 68,589	\$ 50,879
Current year encumbrances			-	
Ending Fund Balance			\$ 68,589	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF CYRIL, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE
FIREMAN SPECIAL FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Beginning Budgetary Fund Balance:	\$ 45,565	\$ 45,565	\$ 45,565	\$ -
Resources (Inflow):				
Taxes:				
Sales tax	-	-	14,322	14,322
Total Taxes	-	-	14,322	14,322
Other Revenue:				
Donations	-	-	14,139	14,139
Interest	-	-	36	36
Total Other Revenue	-	-	14,175	14,175
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	28,497	28,497
Amounts available for appropriation	45,565	45,565	74,062	28,497
Charges to Appropriations (Outflows):				
Maintenance & operations	4,884	4,884	-	4,884
Capital outlay	39,310	39,310	-	39,310
Debt service	-	-	42,291	(42,291)
Total Other	44,194	44,194	42,291	1,903
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	44,194	44,194	42,291	1,903
Ending Budgetary Fund Balance	\$ 1,371	\$ 1,371	\$ 31,771	\$ 30,400
Current year encumbrances			-	
Ending Fund Balance			\$ 31,771	

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF CYRIL, OKLAHOMA

BUDGETARY COMPARISON SCHEDULE
ARPA FUND-MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning Budgetary Fund Balance:	\$ -	\$ -	\$ -	\$ -
Resources (Inflow):				
Other Revenue:				
Grants	-	-	88,288	88,288
Interest	-	-	60	60
Total Other Revenue	-	-	88,348	88,348
Other Financing Sources:				
Transfers from other funds	-	-	-	-
Total Other Financing Sources	-	-	-	-
Total Resources (Inflows)	-	-	88,348	88,348
Amounts available for appropriation	-	-	88,348	88,348
Charges to Appropriations (Outflows):				
Maintenance & operations	-	-	-	-
Capital outlay	-	-	-	-
Total Other	-	-	-	-
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations (Outflows)	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 88,348	\$ 88,348
Current year encumbrances			-	
Ending Fund Balance			\$ 88,348	

See Independent Accountant's Report on Agreed-Upon Procedures.

CYRIL MUNICIPAL AUTHORITY
Cyril, Oklahoma

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	Cyril Municipal Authority
Operating Revenues:	
Water revenue	\$ 273,728
Sewer revenue	157,234
Sanitation revenue	177,859
Penalties and fees	9,720
Sales tax	6,636
Grant revenue	1,972
Miscellaneous revenue	28,644
Total Operating Revenue	<u>655,793</u>
Operating Expenses:	
Personal services	184,138
Maintenance and operations-water	247,832
Maintenance and operations-sewer	114,034
Maintenance and operations-sanitation	158,993
Capital outlay-sewer	28,257
Total Operating Expenses	<u>733,254</u>
Operating Income (Loss)	<u>(77,461)</u>
Non-Operating Revenues (Expenses):	
Interest revenue	748
Miscellaneous expense	(96)
Total Non-Operating Revenues (Expenses)	<u>652</u>
Net Income (Loss) Before Transfers	<u>(76,809)</u>
Transfers in	-
Transfers out	<u>-</u>
Changes in Fund Balance	<u>(76,809)</u>
Fund Balance - beginning	<u>639,379</u>
Fund Balance - ending	<u>\$ 562,570</u>

See Independent Accountant's Report on Agreed-Upon Procedures.

TOWN OF CYRIL AND CYRIL MUNICIPAL AUTHORITY
Cyril, Oklahoma

SCHEDULE OF GRANT ACTIVITY
MODIFIED CASH BASIS
For The Year Ended June 30, 2022
(Unaudited)

	<u>Award Amount</u>	<u>Prior Year(s) Receipts</u>	<u>Prior Year(s) Disbursements</u>	<u>Beginning of Year Unexpended Grant Funds</u>	<u>Current Year Receipts</u>	<u>Current Year Disbursements</u>	<u>End of Year Unexpended Grant Funds</u>
TOWN:							
Oklahoma Department of Agriculture Fire Operational Grant - FY22	\$ 4,763	\$ -	\$ -	\$ -	\$ 4,763	\$ 4,763	\$ -
U.S. Department of the Treasury American Rescue Plan Act ALN #21.027	177,419	-	-	-	88,288	-	88,288
Department of Emergency Management FEMA DR 4247 PW 87	6,210	5,414	6,210	(796)	796	-	-
FEMA DR 4247 PW 97	1,319	955	1,319	(364)	364	-	-
Town Subtotal	<u>189,711</u>	<u>6,369</u>	<u>7,529</u>	<u>(1,160)</u>	<u>94,211</u>	<u>4,763</u>	<u>88,288</u>
AUTHORITY:							
Association of South Central Oklahoma Governments Cyril - REAP-1172209	26,500	-	14,061	(14,061)	14,061	-	-
Association of South Central Oklahoma Governments Cyril - REAP-212224	45,000	-	-	-	-	-	-
Oklahoma Municipal Assurance Group Safety Enhancement Grant	1,972	-	-	-	1,972	1,972	-
Authority Subtotal	<u>73,472</u>	<u>-</u>	<u>14,061</u>	<u>(14,061)</u>	<u>16,033</u>	<u>1,972</u>	<u>-</u>
Overall Totals	<u>\$ 263,183</u>	<u>\$ 6,369</u>	<u>\$ 21,590</u>	<u>\$ (15,221)</u>	<u>\$ 110,244</u>	<u>\$ 6,735</u>	<u>\$ 88,288</u>

See Independent Accountant's Report on Agreed-Upon Procedures.